

Built to Last

Hitachi Construction Machinery Australia is building and investing in its people, facilities, and technology behind its leading-edge Hitachi equipment, with a commitment to longevity and loyalty to their customer base.

Images courtesy of Hitachi Construction Machinery

Support and service are the firm foundations that Hitachi Construction Machinery Australia (HCA) has built its business on, serving Australia's vital mining and construction sectors, while Hitachi Construction Machinery Japan is dedicated to providing cost-efficient, reliable, and long-lasting products.

With the expertise and knowledge of its Japanese Hitachi parent companies at its fingertips, HCA is ready to deliver innovative solutions to the mining, construction, quarry, recycling, and forestry industries across Australia.

Eric Green, General Manager of Mining for HCA, has been with the company for more than a decade and believes that Hitachi's strength lies in its dedication to its customers' equipment needs. Eric shared his thoughts with *The CEO Magazine* on how Hitachi is evolving in the competitive Australian and international markets.

The CEO Magazine: In the past 11 years, what changes have you seen in the company?

Eric: I've seen a number of changes. It's been progressive as

far as strengthening the mining equipment area is concerned. That's come about because of product development and new product coming on the line.

When we're talking about major resources like iron ore or coal, we now have a product line-up that reflects the requirements needed in those resource sectors. That's from 100-tonne up to 800-tonne hydraulic excavators or shovels, and the matching Hitachi AC-drive rigid dump trucks. It's been a shifting path but it has all been for the better.

We've been strengthening not only our products but the service and support side of our business as well. We've bolstered up our numbers and two-thirds of our employees are dedicated to that service and support side across 25 branches.

Yes, that service side is so important. If equipment is down, this has a big impact on the mine losing productivity. How do you manage this?

Yes, absolutely. It's about the production output, reliability, and availability of the equipment and the cost to have that equipment available. That's what Hitachi

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prides itself on. Our equipment is reliable and the proof is out there with our customers. When times are tight and the marketplace is tough like it is now, then you're looking at a lot of cost reductions. Reliable equipment is at the forefront of making sure that those cost reductions are achieved, while maintaining high productivity.

How does the rate of technological change impact Hitachi and its equipment?

The efficiency of the equipment and fuel is a big factor these days so the technology needs to be there to match the hydraulic system to the diesel-engine horsepower or the electric power. We have a number of Hitachi excavator or shovel products that offer the electric-driven option.

We're also looking at the operator side of this as well. The operator has to be comfortable; the ergonomics of the cabin and the controls have been a big focus through the equipment models as they've changed over the years.

Looking at the ongoing service and maintenance costs, we have worked on our component change-out programs to extend the life of components and fixed-price >



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reman [remanufacture]. Again, looking at cost reductions. There’s a lot of technology there and a lot of monitoring with on-board controllers and computers gathering data to make sure that we’re getting the best out of our equipment using real-time data transfer utilising our Wenco fleet-management systems.

There’s a fair amount of technology that goes into the equipment and I guess that’s one good thing with Hitachi that a lot of that technology is at the forefront. Hitachi Limited as a group has a huge amount of expertise and experience to be able to keep all those systems in house.

What are some of the key areas of focus for HCA over the next 12 to 18 months?

We definitely want to work with the mining companies and contractors to ensure we’re providing a cost-effective package of equipment that’s suitable for the application so they can see the reliability and the cost projected for the equipment. We want to bolster that and reassure them that these are the costs they’ll be up for going forward.

Obviously, we’re still progressing with new technologies coming through and we want to get that message to the customer base to say that we still want to be at the forefront of technology for both the Hitachi excavators and rigid dump trucks. It’s moving forward in that direction. We’re definitely moving forward with our rigid dump truck product to show the benefits in the actual dirt of the Hitachi rigid dump truck and latest Hitachi AC-drive system.

For the HCA team, what are some of the key indicators of success?

We look at the areas where we’re achieving with our products. We want to achieve with a broad customer base so we’re not just in a certain commodity. We’re across the industry with coal, iron ore, gold, and nickel. We want to be across the board with our customer base. That’s a key



indicator that we’re achieving our key goals.

Clearly, our market share is another important indicator of how we’re performing. We also focus heavily on ongoing customer satisfaction and support mechanisms to ensure that we’re providing that essential service to the customer. That’s reinforced with our 25 branches around Australia. They’re all Hitachi branches— they’re not a dealer network. We’re very close to our customers and we’re very close to our parent companies in Japan. Communication is important in providing those services with quick turnaround times.

Our product line-up covers the loading and hauling fleets. The technology in that equipment now, with Hitachi Limited’s involvement with the latest technologies in electric IGBT control and AC electric-drive systems, is cutting-edge. We have the latest products with high productivity and reliability, which are effective options with Hitachi load and haul fleets, ensuring the lowest cost per tonne is achieved.

How have you worked with suppliers and partners like Australian Heavy Logistics to form stable, strong partnerships?

We work closely with our suppliers and we have a good, broad base of



suppliers within Australia. We also have the opportunity to utilise our counterparts, like our factory in Indonesia, for buckets and truck bodies. We’re looking to increase that service, and the big driver for that is the supply of products that provide benefits with reduced costs and a product that is backed by Hitachi as they are made in one of our in-house factories.

For our suppliers in Australia, we also need to give them the same message that the driving factor here is that we need to do it better and ensure that we can provide a good product and demonstrate cost reductions.

Do you have any final thoughts?

Some of our major suppliers are getting the message across the board, and it’s really driven from the top in our customer base, that we need to do things more efficiently. We’re competing in a global market and we need to make some changes as we go forward because if we stay on the same path we’re not going to be competitive and it’s going to impact our business. •

Australian Heavy Logistics provides safe, efficient and experienced service across Australia in the mining, gas, project infrastructure and shipping industries.



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